

EXHIBIT

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THE UNITED STATES DISTRICT COURT
IN AND FOR THE DISTRICT OF DELAWARE

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HONEYWELL INTERNATIONAL, INC. : CIVIL ACTIONS
et al. :
 :
Plaintiffs, :
 :
v. :
 :
AUDIOVOX COMMUNICATIONS CORP., :
et al. : NO. 04-1337 (KAJ)
 :
Defendants. :

HONEYWELL INTERNATIONAL, INC. :
et al. :
 :
Plaintiffs, :
 :
v. :
 :
APPLE COMPUTER, INC., et al., :
 : NO. 04-1338 (KAJ)
 :
Defendants. :

Wilmington, Delaware
Friday, September 9, 2005 at 10:40 a.m.
TELEPHONE CONFERENCE

- - -

BEFORE: HONORABLE KENT A. JORDAN, U.S.D.C.J.

- - -

APPEARANCES:

ASHBY & GEDDES
BY: STEVEN J. BALICK, ESQ.

and

Brian P. Gaffigan
Registered Merit Reporter

1 through various generations of different models of this
2 product, somehow there is some difference? Or is there
3 something else going on that I'm not getting.

4 MR. LUECK: No, I think you have captured it.
5 We've identified what the products are that have infringed
6 and we've specified what those types of products are and
7 we've given them specific model numbers as to ones we've
8 been able to purchase and tear down, but that doesn't mean
9 that we know all of the generations of those products that
10 they have introduced in the past.

11 THE COURT: All right. I'm going to ask the
12 gentleman who spoke on behalf of Matsushita, the Weil
13 Gotshal attorney if he will speak up at this point and
14 answer that point, which is: Hey, we're not just on some
15 wholesale fishing expedition. We've identified a product
16 and a product line and we just need to know the different
17 model numbers in that product line so that we're sure that
18 we've had a chance to investigate this product thoroughly,
19 which is what I understand Mr. Lueck to be saying. What is
20 your response to that?

21 MR. BRAFMAN: Your Honor, this is David Brafman
22 from Honeywell.

23 I'd just like to add one further point which is
24 our tear-down rate, on average it's about a 50 percent hit
25 rate under our belief of infringement across all these

1 products. So it's not a wild fishing expedition as it is
2 made to sound. It is that we found products, a large
3 percentage of them do hit and we just don't have access to
4 the models that change every six months.

5 THE COURT: All right. Mr. -- I'm sorry, I've
6 forgotten your name, sir.

7 MR. RIZZI: It's Steve Rizzi from Weil Gotshal.

8 THE COURT: Mr. Rizzi, I apologize for not
9 holding on to that name. Go ahead.

10 MR. RIZZI: That's okay. I think along those
11 lines, Your Honor, there is room to meet in the middle here
12 from our perspective and, in fact, one of the cases that
13 Honeywell cited in its correspondence I believe is
14 instructive -- the IP Innovation case out of the Northern
15 District of Illinois -- I think is somewhat similar in the
16 sense that case involved certain chips that were found
17 in various models of televisions that were accused of
18 infringement, the basis for infringement being this specific
19 chip. And what the plaintiff did originally was identify
20 specific television models that they believe included the
21 chip and were infringing. And there, the Court allowed
22 discovery of other models of televisions that included that
23 same chip. So discovery in the case were structured
24 around other future generations or products but only those
25 products that included the same chip as the specific models

EXHIBITS # 2 and #3
REDACTED IN THEIR
ENTIRETY